

Protection, Production and Inclusion Compact (PPI Compact), Vietnam

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Is the project a case of...:

- State-initiated co-creation
- Entrepreneur-driven co-creation
- Grassroots-based co-creation (NGO initiated)

**For an elaboration of the typology, please consult the GOGREEN theoretical framework p. 25.*

Integrated case analysis

Before proceeding to the scoring of the GFs, please provide a 3–5 page case analysis in which you describe the background, history, and national, regional, and local contexts of the case, the problems and goals addressed by the local collaboration, the participating actors and their relationships, the unfolding of the co-creation process, the most important governance factors (this may include factors other than those in focus in this project), and the generated outputs and outcomes. The conclusion may specify a few lessons learned from the case study.

1) Background, history, and national, regional, and local contexts of the case

Globally, the **sustainability journey** began in the late 1980s with the establishment of the ‘Max Havelaar’ concept that developed into the certification system presently becoming standard practice in ensuring sustainable production in most agro food supply chains. According to Millard (2017), there are two phases in coffee certification. Initially, roasters and importers relied on third-party certification, but after 2004, the industry began to develop its own company certification standards to gain competitive advantage, although we are also seeing the development of multi-stakeholder standards supported by donors agencies or international NGOs. Rainforest Alliance, 4C’s and Fair Trade are examples of the latter. There is a hierarchy of certifications and they have different premiums that are divided 50:50 between middlemen and farmers. Certification is based on auditing of local farmers’ practices and test of coffee beans that remain traceable all the way up through the value chain. Each bag of coffee beans has a label indicating its origin.

The PPI compact in the Di Linh district in the Lam Dong province in Vietnam was **initiated** by IDH, the Sustainable Trade Initiative, as one of three central highland projects within the Initiative for Sustainable Landscapes (ISLA) that is an initiative convening coalitions of public and private stakeholders to jointly formulate strategies for and invest in **sustainable** land and water management. In 2015, IDH constructed a big top-heavy bureaucratic organization to spur change, but it was abandoned because it was ineffective. From 2016 to 2018, there was a pilot study of agricultural interventions. In 2018, IDH decided to set up

the PPI compact in three communes, and good results encouraged scaling that began in 2021. It was important to bring together public and private actors who hitherto had had separate programs. Hence, IDH established the PPI Compact in 2019 in cooperation with the Di Linh District People's Committee. Di Linh was selected because of the intensity of coffee production and the good capacity of local government.

IDH played a key role in setting up the PPI Compact. It convenes, facilitates and co-finances inclusive and sustainable value-chain partnerships that co-create value for people and the planet and aim to achieve the SDGs as well as meeting the global market's requirements for selling sustainable coffee beans. To catalyze change at scale, IDH aims to bring together and empower farmers, private businesses, the global financial sector and governments. With a headquarters in the Netherlands, IDH has around 380 employees globally, operating in 20 landscapes and 12 commodities and sourcing regions with over 1,000 public and private partners. IDH is sponsor-financed by the Dutch Ministry of Foreign Affairs, the Federal Council of Switzerland, DANIDA and NORAD. IDH uses collaboration to foster 'clumsy' explorative, innovative and adaptive solutions to wicked sustainability problems based on its attention to relational, discursive, institutional and reflective work and focuses on implementation (see Oorthuizen et al., 2018).

An important **context** to the emergence of the PPI Compact is that the trade embargo on Vietnam was lifted in 1994. Before that time, poverty and hunger was widespread. Afterwards, there has been high economic growth based on a relatively free market economy, and agricultural production increased so that Vietnam is now a net exporter of many food items such as rice, fruit and coffee. Coffee was introduced to Vietnam 100 years ago. In 1985, there were 15,000 ha of coffee and in 2000 there were 457,000 ha. Vietnam has become the world's second largest coffee exporter, only surpassed by Brazil. Global export makes Vietnam vulnerable to price fluctuations and changing demand and regulation relating to sustainability in key markets.

2) The aims of the project and the sustainability problems that it seeks to address

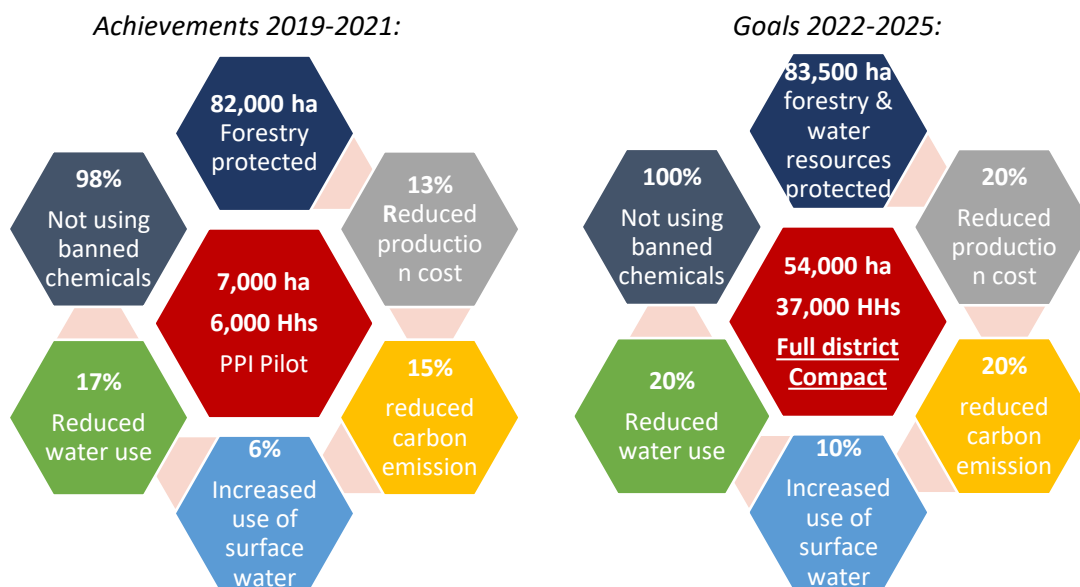
The PPI Compact **aims** to improve the environment (forest protection and reforestation, water conservation, better soil health and prevention of overuse of agro inputs such as herbicides, pesticides and artificial fertilizer), rejuvenate coffee plantation through replanting (with some subsidy), enhance the social livelihood of farmers (better price for certified coffee and lower production costs), enhance occupational safety and health (farmers get cancer from use of chemicals), and reduce carbon emissions through re-forestation, intercropping with avocado, macadamia, jack fruit and durian and the use of cover crops such as different types of grass = SDG 1, 2, 3, 8, 11, 12, 13 and 14. In addition there is a clear focus on generating investments from partners and the development of good governance structures based on transparency.

The project **builds** on the Landscape Approach that highlights jurisdictional sustainability management based on natural and socio-economic commonalities and differences and in alignment with other landscapes and nature-based solutions. Hence, the focus is on transforming a whole geographical area rather than just impacting individual farmers through certification. Promoting certification of the coffee beans is not enough in itself. First, it must be supported by efforts to develop new sustainable farming practices, training of farmers, and programs to support soil improvement, water conservation and reforestation. Second, companies do not want to go to remote areas to buy coffee, which are mostly

farmed by ethnic minority farmers, because it is expensive and these farmers are therefore excluded from the certificate programs. This is a key motivation for the landscape approach, which aims to bring coffee buyers and their certification programs to remote areas and minority farmers.

The project **applies** the SourceUp Platform that seeks to engage private and public actors who are part of the commodity value chain in sustainability management. The SourceUp Platform is described in great detail in the SourceUp Compact Manual produced by the IDH. It aims to provide a safe, pre-competitive space for various stakeholders to collaborate and share information. Hence, the focus is on co-creating better environment and better income.

There are data-driven **assessment** of all the achievements 2019-2020 and **goals** for what to be achieved in 2021-25:



The **problem addressed** by the PPI Compact is that previously most farmers thought that removing forests and applying more water, chemicals and artificial fertilizer was the only way of enhancing income. The results were soil erosion and declining income. With certification programs farmers now increase their income through sustainable coffee production as they can sell their coffee at a higher price (depending on quality) and their production costs decline. Other challenges to be met are how to increase the proportion of certified coffee production at the district level and how to include ethnic minorities (30% of total population) and reduce poverty.

The PPI Compact is based on a complex **theory of change** that it has presented in a flow diagram with multiple interconnected variables.

Based on theory of change, the PPI Compact is now **scaling** good experiences from commune level to district level, but the ambition is to scale to provincial level.

3) The participants and their interaction and communication in and between meetings

The PPI Compact **participants** are:

a) Core actors who signed the original MoU and participate in quarterly Steering Group meetings where they are involved in knowledge sharing, strategy development and project monitoring:

1. **IDH:** international sustainable development NGO that initiated and led the project in the first years but now has handed over leadership to the Di Linh DPC that chairs the Steering Committee (Depute chairs are from IDH, JDE and the District's Department of Agriculture and Rural Development).
2. **Di Linh District People's Committee/Council (Di Linh DPC/DPC):** whereas the Committee is responsible for implementing the Party's policies, the Council monitors the activities and performance of government agencies. The Council is elected (candidates are elected in local districts based on CVs but no public election campaigning) whereas the Committee is appointed. The Council acts as vice-chair of the PPI Compact and its administrative staff organizes Steering Group meetings, convenes and seeks support from relevant state agencies, provides access to and communicates with local farmers, leverages internal and external resources and provides relevant data. Di Linh DPC is directed by the local, provincial and national Vietnamese Communist Party that sets the overall course of development. Below the district level, there are communes and villages and above it, there are province and state.
3. **Big coffee roaster JDE Peet's:** was one of the original co-initiators and co-funds activities and certification programs.
4. **Global coffee importers Louis Dreyfus Company (LDC), Atlantic Commodities (ACOM) and Sucafina:** buy coffee from middlemen and sell it on the world market. Also, they co-fund activities and certification programs.
5. **Vietnamese consultancy firm Intimex:** buys, processes and exports coffee but is also focused on sustainable coffee production and processing techniques and co-funds activities.
6. **Global Coffee Platform:** aims to promote responsible use of agro inputs by means of developing alternatives, training trainers and farmers and supporting data provision and measurement. It is also involved in policy advocacy and contributes to the Natural Weed Management Handbook. Finally, it connects PPI Compact with projects in other countries. It has focused a lot on herbicides reduction and will now turn to pesticides.
7. **Local communes:** help to reach and support farmers' transition to sustainable coffee farming. The three original communes were Tan Nghia, Gung Re and Dinh Lac. The number of communes participating in the PPI Compact has now increased.

b) Other actors are mostly involved in the implementation of projects but also participate in Steering Group meetings, seminars, events and bilateral meetings:

8. **Di Linh District's Department of Agriculture and Di Linh Rural Development and District's Forest Protection Department:** deconcentrated ministerial agencies that help channel resources to local projects.
9. **Di Linh District's Agricultural Center:** Provides expertise and trains farmers.
10. **Lam Dong Province Crop Plantation and Plant Protection Sub Department (CPPPD):** works with key partners to develop, co-fund and implement PPI Compact plans.
11. **Middlemen:** buy all the coffee from local farmers and sell it to big roasters and importers. Farmers call when they have coffee to sell and are told what price different companies can offer. Farmers

then sell to the highest bidder, although there are also many loyal farmers who sell to the same middleman again and again. Middlemen monitor certification programs and provide cash loans, agro inputs (fertilizer) and training to farmers. They receive remuneration for certification activities by big companies, but also co-fund activities. They themselves receive training from big companies. Almost half of them are women. There are both small and big coffee-buying middlemen. The latter have storage and processing facilities.

12. **Individual farmers and farmer cooperatives:** grow coffee, attend training activities and self-finance rejuvenation and application of sustainable farming practices. Individual farmers often have small lots of 3-4 ha. Cooperatives organize several farmers in an area.
13. **Consultancy firms TMT and CDC:** TMT helps companies figure out how to do certification programs, provides services to different localities, analyses soil quality and trains trainers and farmers. Well-connected to research institutions. CDC provides technical assistance to many localities and aims to help poorer people and promotes regenerative agriculture. Also, develops funding proposals, reviews program implementation and runs training programs. Staff have PhD degrees and collaborate with university researchers. Bigger than TMT. Consultancy firms are paid by coffee companies to run training activities.
14. **Agro input supplier Syngenta:** private company that sells fertilizer, chemicals and agricultural equipment to farmers.
15. **Farmers' and Women's Associations:** mass organizations organizing farmers and women at village level. Both associations are initiated by the Communist Party and the leaders receive honorariums from the local government. However, neither members nor leaders have to be party members and the associations enjoy a relatively independent status as spokespersons for local citizens in a bottom-up way. The Di Linh Farmers Association represents 1000 local farmers. It organizes meetings at village level where information from the PPI Compact is disseminated, but it also participates in PPI Compact Steering Committee meetings where it provides inputs from farmers and seeks influence on decisions.
16. **UNDP:** Co-funds activities and participates in some meetings.

The **number and range of participants** in the PPI Compact has expanded from the initial pilot phase to the new consolidation and scaling phase. This seems to reflect the need for new expertise and the goal of scaling up activities. Nevertheless, the IDH Mid-term Report from 2023 reports that stakeholders find that some **relevant actors are missing**, such as input providers and especially organic fertilizer and organic pesticide and herbicide companies and financial institutions and fruit processors.

Some actors in the PPI Compact are **members** of the Steering Committee while other actors are merely **invited**. However, they all participate in meetings, workshops and seminars on an equal footing.

The actors seem to be **unified** by the common recognition that Vietnam cannot afford to lose its huge coffee export revenue by failing to meet sustainability demands from the global market and the sustainability requirements from, e.g., the European Union.

4) How often do they meet, and do they communicate between meetings?

The Steering Group meetings bring all the participating actors together four times per year and host formal but relatively open discussions where knowledge is shared, and problems and issues are brought up and solutions are found.

The Steering Committee is supported by a **secretariat** comprising representatives from the District's Department of Agriculture and Rural Development, IDH and ACOM, LDC, Intimex and Sucafina.

There is intense **communication between the formal meetings**, both in the chairmanship group and at thematic seminars, conferences and training sessions. The IDH leader seems to be at the center of the many bi- and multilateral contacts. While internal communication is good, several informants report that external communication of the achievements of the PPI Compact is weak, thus preventing dissemination of results.

The PPI Compact has organized a plethora of internal **project groups** with varying and selective composition based on the interests and mission statements of the participating organizations. The project groups facilitate knowledge sharing, coordination and collaborative problemsolving around a particular problem, goal or task. They seem to offer a flexible and modularized way of responding to emerging problems and needs and implementing common plans.

All in all, the PPI Compact appears to be a both **tightly knit and distributed partnership** with frequent formal and informal contacts and a high level of trust between the participants.

5) The role and forms of knowledge sharing, coordination and joint problem-solving

The document establishing the Steering Committee mentions **strategic planning, coordination and knowledge sharing as key activities** together with monitoring and reporting of results. Knowledge sharing feeds into joint problemsolving efforts and the implementation of solutions is coordinated to avoid gaps and overlaps and enhance synergy.

The activities of the PPI Compact can be divided into policy-related activities and implementation activities.

Policy-related activities include: a) measurement, evaluation, reporting and feedback; b) strategic management: baseline studies, market assessment, problem exploration, goal setting, strategy formulation, planning and multilevel governance; and c) financing: budget, commitments and agreements.

Implementation activities include: a) development of alternative sustainable farming practices: new ideas, experimentation and demonstration projects; b) training activities: ToT, ToF and general information campaigns; and c) Use of new farming practices: irrigation, chemicals, fertilizer, forestation, intercropping, cover crops, rejuvenation etc.

The PPI Compact **operates at three levels**: at the meso-level of networking it aims to integrate relevant and affected actors to build a change coalition; at the micro-level it aims to reach out to farmers to get them to change their farming practices based on training; and at the macro- level it aims to influence state and provincial policy and regulation and feed knowledge and ideas into instructive manuals.

6) The relation between consensus and conflict and the handling of the latter

Several informants say that **collaboration is good** and has improved over the years as both farmers and government have come to realize the need to collaborate and form partnerships.

Several informants claim that there are **hardly any conflicts**. It is 85% consensus and only 15% discussion. Minutes from Steering Committee meetings also give the impression that there are hardly any conflicts but rather a general consensus amongst the participating actors in the sense that a joint commitment to sustainability goals tends to make the actors focus on pragmatic problemsolving. An informant says that consensus seeking is supported by the initial development of rules, procedures and working relations.

Consensus seeking is enhanced by organizing **separate small-group pre-meetings** to settle particular issues before the big partner meetings. The partners have different agendas and are even in some cases competitors, but they may agree to lower expectations in order to find a common ground and look for solutions that meet everyone's needs. Working in sub-projects also allows the partners to invest their time and energy in issues that they consider as particularly important while staying out of the work on other issues. This caters for diversity and flexibility.

It is reported in interviews that big coffee companies such as LDC sometimes may have **conflicts** with a commune. Here mediation is provided by DPC. Other informants concur that DPC plays a mediating role in conflicts and this is confirmed by the interview with DPC. However, IDH also plays a key role in mediating conflicts and aligning the key partners.

7) The role and form of leadership: lead actor, steering group and/or collective leadership

Leadership seems to be very important since there are many public and private actors located at different levels that must be aligned both at the level of policy and at the level of implementation.

In the beginning, the PPI Compact was clearly led and managed by a **lead actor**—IDH—who initiated and drove the project forward, although jointly with the Di Linh DPC and JDE. Several informants agree that IDH has played and continues to play a leading role as convener and facilitator; a role that they are now attempting to pass on to Di Linh DPC because it is the philosophy of IDH to let local partners take over. Later, the Steering Committee was formed and that facilitated a combination of day-to-day leadership by a **core group of actors** around the secretariat and **collective leadership** in and through plenary meetings in the Steering Committee. In sum, although there is a tendency toward a lead actor model, there are strong elements of core group leadership and collective leadership.

8) The temporal unfolding of the co-creation process: major shifts and ups and downs

The unfolding of the PPI Compact can be divided into **two different phases**:

- a) *Pilot period with impressive results 2019-2021*
- b) *New consolidation and scaling phase 2022-2025*
(expands to cover all 149,000 hectares of the Di Linh district of which 44,500 ha is coffee)

Sub-Phase 1: Unconditional committed investment covering: (i) strengthening of governance mechanism; (ii) developing financing and sourcing mechanism to leverage investment at field level; (iii) organizing

training, learning visits and co-funding of planting materials up to 50% farmers; (iv) upscaling innovative forest protection up and share learnings.

Sub-Phase 2: Conditional investment with committed long-term investment from roasters/impact fund focusing on: (i) finalizing the legal framework that enable the carbon and coffee/intercrops benefit claimed by investors; (ii) piloting and upscaling the financing and sourcing mechanism; (iii) increasing off-farm land-cover; and (iv) co-funding of planting materials up to 100% farmers.

By 2025, it is expected that the Di Linh district will be showcased as a Verified Sourcing Area on the SourceUp Platform.

9) The most important governance factors (may include factors other than those in focus in this project)

In the absence of sufficient state capacity, IDH plays the role of agenda setter, convener and facilitator of local green co-creation (governance factor 16) and provides a local platform for collaboration and learning (governance factor 8). Export markets dictating transition to sustainability create a “community of destiny” and make the participating actors aware of their interdependencies (governance factor 12). The IDH Landscape and Upsource models, the government’s embrace of Public Private Partnerships (governance factor 2) and the institutional infrastructure linking the state to farmers through mass organizations (governance factor 4) supports ongoing stakeholder collaboration. Experimentation at model farms used for training purposes (governance factor 14) and blended finance (governance factor 9) enable the farmers to transition to sustainable coffee farming. Finally, project activities and outcomes are improved through data-driven reflection and learning (governance factor 15). Interestingly, the PPI makes a substantial effort to include and empower ethnic and religious minorities (governance factor 11), but although this effort is motivated by the jurisdictional approach to sustainability management and helps to expand the reach of the project, it does not seem to be indispensable to the project and does not appear to produce any synergistic relationship with the other governance factors.

10) The generated outputs and outcomes

As the motivation for the scoring of the outcome variable demonstrates, collaboration orchestrated by the PPI Compact seems to have spurred creativity and innovation while at the same time the majority of the green goals have been achieved or are expected to be achieved. Project reports document a high degree of goal achievement including halting of deforestation, banning of herbicides, huge water conservation and enhanced carbon sequestration.

11) Lessons learned about the conditions for co-creating green solutions

The **DNA of the PPI Compact** that contributes to making the co-creation of the green transition successful consists of a particular storyline, mechanism and tool.

- a) The **storyline** is that Vietnam cannot afford to lose the income from its large coffee export and therefore must involve all relevant and affected actors in the promotion of sustainable coffee farming. Hence, there is a joint recognition of an external pressure that makes the actors work together and enhances their willingness to collaborate.
- b) The **mechanism** is certification that allows all actors along the value chain to enhance their income while enhancing sustainability. There are several competing certification programs, some

company related and some multi-stakeholder. Governments will prompt discussions about standardization and unification of programs.

- c) The **tool** is the training of trainers and training of farmers in new sustainable farming practices developed in and through collaborative innovation processes. Farmer can come to training seminars, but most of them prefer field training based on Farmer Coaching Visits (FCV). Trainers are trained in how to talk to and teach farmers and then visit about 4-5 farmers per day. Trainers are offered 20-50,000 Dong to cover their expenses. Scaling of training is crucial for the PPI Compact to have a real impact. Many of the participating actors provide training and funding for training. Many trainers have been recruited and they conduct more than a hundred thousand farmer visits per year. Farmers are very experienced but sustainability is new to them. They are eager to learn and implement new practices, although it takes years to become sustainable. However, they are mostly concerned about their income, so showing them that sustainability lowers production costs and increases the price of the coffee is helpful.

12) Points of interest in subsequent studies

The **planned leadership transition** from the DHI to the local DPC may create problems if the DPC does not have the resources, experience and legitimacy required for network leadership. The shoes to fill are big and IDH may still have to play a key role in the coming years.

The **new focus on CO2 sequestration** might be rather abstract and difficult to understand for the local farmers and targeted efforts require the development of a new training programs. First, awareness of the problem must be raised and then farmers must be shown how to reduce carbon emissions. Another problem is who will pay for CO2 sequestration that is not covered by certification programs. Carbon credits may be a future solution but are new to Vietnam.

The ambition to **reduce the use of pesticides** is challenging as the lack of pest control may create problems for farmers in certain areas and lead to diminished production.

The apparent **shortage of affordable organic fertilizer** is partly a result of monoculture in the coffee districts where there is only coffee (monoculture) and some fruit trees and no hog or cattle farms that produce manure. Farmers may, however, use the husk from the coffee berries, water from fishponds and manure from household animals as fertilizer.

Scoring and analysis of governance factors

1. Perceived importance of biosphere conditions

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Almost all informants mention **environmental problems** as a key reason for establishing the PPI Compact: deforestation caused by rising coffee prices leads to landslides, overuse of water leads to depletion of groundwater reserves, overuse of chemicals and artificial fertilizer leads to soil erosion and climate change has a whole set of negative effects. The minutes and documents from the meeting forming the Steering Committee provides a whole list of biosphere problems that the PPI Compact will aim to solve. Improvement of farmer incomes as well as their working and health conditions are also mentioned as key goals. An observed training workshop displayed slides documenting environmental problems that called for the development of new sustainable farming practices.

A related driver for establishing the PPI Compact was the **need to work together** to solve environmental problems. Private companies and public actors each had their different programs that had to be aligned and integrated and linked to farmer practices. An informant reports that public-private cooperation was not so smooth at first because different 'languages' were used, but the actors gradually learned to work together.

2. Legislation, programs, and formal goals

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Several informants refer to the **trends in the international market** and the rising demand for responsible, sustainable and organic coffee as a key driver of the Vietnamese efforts to enhance the production of sustainable coffee. Informants also reports that all Steering Group meetings discuss a report on new market trends.

There are also references to the **impact of EU** trade agreements that require national commitment to preventing deforestation through the creation of multistakeholder collaboration and to EU food import regulations that for example has maximum levels for residues of herbicides and will reject coffee that exceeds these levels. EU is a big market for Vietnam (80% of total coffee export) and EU food regulation has a huge impact.

An informant makes the general assertion that the **Vietnamese government** is hierarchical, and **local actors need support for everything they do from province, state and party**. Direction from above is helpful as it provides goals, plans and sometimes subsidies. To illustrate, the government passed a law banning the use of herbicides. In the agricultural sector, support mostly come from provincial rather than national levels. Informants from the PPI Compact report that they had to get approval from the provincial authorities for scaling in the second project period.

At the **provincial level**, everything begins with the **Green Growth Plan** that includes goals for CO2 emission reduction and storage. The Green Growth Plan leads to investment into different sectors such as agriculture and coffee production. The project had to be approved by province chairman. IDH and the PPI Compact support the Green Growth Action Plan.

Minutes from Steering Group meeting reveal that the **national** Department of Crop Production from the Ministry of Agriculture and Rural Development has established **legislation on regenerative agricultural production**. IDH will follow up by developing a paper about regenerative agriculture for PPI Compact regions.

The broad-based collaboration in the PPI Compact is facilitated by and responding to the **national government's embrace of the Public Private Partnership (PPP) approach**, which was first tested in infrastructure projects through the introduction of Build, Operate and Transfer contracts with private companies (Decree 77/1997) and later generalized to most sectors, including agriculture (irrigation and water management) (Decree 162/2015; Law 64/2020). In 2022, the government issued a new decree about the operation of MARD. It says that NAEC must work as a management body for the extension of collaboration with the private sector to increase investment and goal attainment at all levels.

Overview of relevant government institutions at state, provincial and district level:

a) State level

Vietnamese Government (political)

Ministry of Agriculture and Rural Development MARD (administrative)

1. IPSAP: Institute of Policy & Strategy for Agriculture and Rural Development
2. DCP: Department of Crop Production
3. DPP: Department of Plant Protection
4. VNFOREST: Vietnam Administration of Forestry
5. FPD: Forest Protection Department
6. NAEC: National Agricultural Extension Center

b) Provincial level

The People's Council of Lam Dong Province (political)

The People's Committee of Lam Dong Province (administrative)

DPI: Department of Planning and Investment (administrative)

DARD: Department of Agriculture and Rural Development (administrative)

1. PAEC: Provincial Agricultural Extension Center
2. DNRE: Department of Natural Resources and Environment
3. DST: Department of Science and Technology
4. Provincial Ranger (or Provincial Forest Protection Department)

c) District level

Di Linh District Peoples Council (political)

Di Linh District People's Committee (administrative)

District's Department of Agriculture and Rural Development (administrative)

District 's Department of Natural Resources and Environment (administrative)
District 's Forest Protection Department (administrative)

3. Relative openness of public governance paradigms

QCA score:

- 0
 0.33
 0.66
 1

Scoring confidence:

- Low confidence
 Medium confidence
 High confidence

Data sources:

- Interviews
 Documents
 Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

The Vietnamese state is **led by the communist People's Party** and its political resolutions and has a **bureaucratic apparatus** to help formulate and implement policy. However, **state capacities are limited** due to the combination of a small GDP and widespread poverty, low tax rates (income taxes are progressive up to 35% and corporate taxes are 20%), a big informal economy that limits tax collection and widespread corruption (Tran, 2014).

In recognition of limited national state capacities, the government encourages the **development of a state-managed private market economy**, which is now almost 50% of GDP, and the attraction of FDI, which has expanded enormously in the past three decades. Although slowed down by the pandemic, the goal is to **privatize all state-owned enterprises** to expand the market economy and rely on private entrepreneurship.

In terms of the remaining public sector, donor-supported public administration reforms aim to further separate party and state, secure the rule of law, fight corruption and reform human management and budget systems (Painter, 2003). Despite implementation problems, there is also a strong commitment to **New Public Management** to give more autonomy to accountable public agencies that increasingly rely on payment of service fees.

However, the **need for mobilizing societal resources** for socioeconomic development not only calls for involvement of private market actors, but also for involvement of NGOs and local stakeholders as recommended by the New Public Governance. There are more than 1,000 NGOs operating in Vietnam and strong local mass organizations.

A ministerial informant says that the **government is committed on public-private partnerships** with private companies, NGOs and local stakeholders. The informant explains: 'Our plans for sustainable production are both top down and bottom up. The ministry provides a general guidance. We send the guidance to local level and get local feedback. The result is policy. That is the way we do planning.' The feedback procedure is confirmed by another informant that adds that the local feedback seldom leads to much change.

At the local level, there is a tradition for a **high degree of local autonomy** and local government seems to expand its role in response to rising citizen demands. It must deal with a broad range of issues such as security, marriage and family, economic and social development, environmental protection and the need to secure safe life for people. Local government provides farmers with extension services, technology transfer, support for the livelihood etc. An informant explains that the delivery of all these things to farmers means that bureaucrats cannot just sit in their office but have to get out and visit farmers in order to build trust and listen to their needs. For example, in the past, policy didn't encourage avocado growing, but farmers said that it would be good for income and environment and then policy was changed in response.

Another informant provides an example on how **local government leans on collaboration** with private actors. Government doesn't have enough money to work with marginalized minority farmers, but they can leverage private sector actors. More and more companies have sustainability departments, with agronomists who support the farmers and the PPI Compact also helps local government to be more inclusive.

Countering the impression of the **relative openness** of the current forms of public governance is the observation by some informants that critique is not tolerated and the internal pressure on dissidents, including environmentalists, is strong. Open debate on the digital media is heavily regulated, and Facebook has accepted that government must see everything. Still, there is extensive decentralization and local discretion and the security apparatus is not visible in the streets although the police probably knows everything.

4. Formalized institutional channels for citizen participation and community mobilization

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

An informant claims that since 2010 the **Vietnamese government has become more open to participation of and collaboration** with citizens and stakeholders. An example is the involvement of farmers in a new pest management program that aimed to reduce the use of pesticides and use biological tools such as insects and plants that reduce pest. Farmers were invited to demonstration projects to see and discuss new pest management techniques. The relative openness to input from farmers is confirmed by a ministerial leader who tells us that the government cannot move forward on new legislation before it has received input from the local farmers' associations.

The **Farmers' Associations** organize the local farmers and organize regular meetings with information about new regulation and farming practices, feedback from the farmers that is communicated to higher

levels. There is also an open exchange of experiences. One of the farmers we interviewed says that he is proud of the leaders of the farmers' association, they are good people. Everyone is encouraged to talk at the meetings. If you do not understand an issue, you can ask for clarification on technical issues. The leaders of the Farmers' Association gets a small allowance from the local government (depending on university degrees), but they do not have to be party members (the one we interviewed was neither party member nor had any university degrees). Allowance to farmer's union leadership can be seen as a way that the regime can institutionalize bottom-up participation of citizens.

The farmer's association often addresses local farmers in connection with the **local village meetings**. Informants report that there are a lot of village meetings (below commune) to explain government policy and collect feedback to transmit to higher levels of government. These meetings are led by the head of village and moderation is important as the discussions can easily get off track.

The **integration of farmers into the governance system** through bottom-up participation in village meetings and Farmers' Association meetings is important since it enables the PPI Compact to reach out to farmers and make them interested in training and adoption of new sustainable farming practices. It is difficult to see how much the Farmers' Association is affiliated with the party, but even if they are created by government as a part of the revolutionary mass mobilization and the leaders receive an allowance, they seem to perform an important function of facilitating direct and active participation of farmers.

5. Mechanism for ensuring top-down government and bottom-up social accountability

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Minutes from Steering Committee meeting show a recurrent emphasis on the key role of '**monitoring mechanisms and information sharing**' in ensuring goal attainment.

There are clear procedures for **top-down accountability** at the **district level**. Minutes from Steering Committee meeting concludes that the Steering Committee assisted by its secretariat will produce regular reports outlining the operation's quality, growth rate, and so on. The reports for the international IDH organization and the Department of Agriculture and Rural Development will be updated online and also sent to the People's Committee of the Lam Dong province.

A **financial statement** about the use of money and funding must also be delivered to the regional and central government. IDH has its own financial reporting system, and so has the private companies. An external auditor reviews the financial statement of the PPI Compact. Both the state, IDH and the big

companies have their own **budget auditing system**. Auditing results must be shared with the members of the Steering Committee.

Another **top-down accountability** is found at the **commune level**. Minutes from Steering Committee meetings reveal that commune leaders are requested to report back to the commune Party Committee on how they intend to assist coffee producers in producing coffee responsibly and sustainably by focusing on quality rather than output.

As for **bottom-up social accountability**, a public sector informant tells us that in the Vietnamese governance system, there are management boards to report to at higher levels. Hence, the PPI Compact also has to report to a management board comprising high-level Hanoi people and the information in the report is available to the public in a transparent way. We say: “People know, people discuss, people do, people check, and people benefit.” Moreover, the leaders of the Farmers’ Association have the official duty to inform farmers about PPI Compact activities and report back if there are questions and comments, and when the PPI Compact invites farmers to a demonstration project, it always aims to consider the feedback they provide, we are told.

So, top-down and bottom-up accounting seem to play a **significant role**. However, in our interpretation the accountability system, and especially the economic one, is first and foremost a part of the good governance efforts to reduce corruption and an instrument to ensure government control. There are hardly any examples of how feedback on the accounts of activities, results and finance is used to improve the functioning and operation of the PPI Compact. In short, the positive impact of the accountability system is at best unclear.

6. Strategic agenda-setting by means of translation

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Public actors at the **national and provincial level in Vietnam are committed to the SDGs**. They use the 2030 language and refer to the SDGs and they have participated in COPS. The SDGs are not an everyday concern but talked about in higher level meetings and in many workshops with stakeholders. Vietnamese authorities are actively trying to communicate the SDGs to the farmers, for example, through the 600 NAEC extensions centers at district level, the local extension collaborators in the villages and farmers at grassroots level that support us and help to distribute knowledge about the SDGs. Hence, there is clearly a well-used communication channel linking top to bottom, but it is less clear how much the SDGs per se are communicated directly or in some translated form.

Big international companies and NGOs work even more directly to promote the SDGs. The SDGs are mentioned on their websites. Especially the NGOs and the international donor organizations are driven by the SDGs. Market demand also forces the big coffee buyers to signal interest in the SDGs. However, an informant from one of the big companies says that the SDG language is first and foremost helpful in getting funding.

While the achievement of the green SDGs may drive international, national and provincial actors, many of the **local informants say that they do not know about the SDGs.** The typical answer when asked about the SDGs is that they have heard about them but do not know any details. However, one of the district level public officials says that he knows the SDGs that he prefers to talk about in terms of poverty reduction and environmental sustainability that he thinks go hand in hand.

Indeed, many of the **local informants talk about poverty reduction and environmental sustainability** that are translated into concrete practices such as storing surface water, planting wind breaks, using intercropping and cover crops, using less chemical and artificial fertilizer and using organic material. This local discourse may be seen as a result of international, national and provincial actors' attempts to translate the social and environmental SDGs to the local level, but poverty reduction is an old and long-lasting agenda and **we did not hear about any conscious and strategic efforts to translate the global SDGs to the local level** and use them as a lever of collaboration and green transition.

7. Construction of narratives about successful multi-actor collaboration

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Everybody related to the case seem to agree that collaboration is necessary for success. They also agree that there were **many good examples of collaboration before the PPI Compact**, but that collaboration has become even better with the PPI Compact. NGOs used to work with big companies to enhance certification, government collaborated with local stakeholders to promote poverty reduction, and farmers worked with government and big companies on sustainability issues. IDH has collaborated with stakeholders previously and in other provinces. Informants tend to agree that the PPI Compact builds on these past experiences that were galvanized by the government's embrace of PPPs. However, the participants in the PPI do not seem to make any reference to a particular example of successful collaboration in the past that helps to show the way for the PPI.

8. Building or harnessing institutional platforms and arenas

QCA score:

- 0
 0.33
 0.66
 1

Scoring confidence:

- Low confidence
 Medium confidence
 High confidence

Data sources:

- Interviews
 Documents
 Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Digital meetings platforms were used during the COVID-19 pandemic, but now meetings in the PPI Compact have returned to in-person meeting that are preferred by the participants. The actors involved in the PPI Compacts make use of some **joint data platforms** that provide information about coffee fields, forestation, soil quality etc. The different actors access the data platform to get information they need in their work. IDH has developed a **collaborative digital platform** called **Upsource** that is meant to guide partnerships aiming to develop a Verified Sourcing Area. The Upsource manual has just been translated into Vietnamese. Hence, it is not used much as yet, but will be introduced in the near future. Platforms for a collaboration can both be digital and **physical**. While Steering Group meetings are held in the Di Linh DPC headquarters, **IDH has a house in a central part of Di Linh** where smaller partner meetings, workshops and training sessions are held. The IDH leader lives at the top floor and downstairs there are well-equipped meetings rooms, kitchen, restrooms etc. One of the farmers clearly expresses the platform function of the IDH house: 'Hao's place serves as a very useful meeting place'. We had several meetings in the IDH house and observed ongoing training sessions. The **PPI Compact can also itself be seen as a platform** facilitating the emergence of different platforms. Hence, there is a fixed procedure for defining and setting up project groups with variable participation and different resource contributions around key problems, goals and tasks.

9. Provision of access to blended financing

QCA score:

- 0
 0.33
 0.66
 1

Scoring confidence:

- Low confidence
 Medium confidence
 High confidence

Data sources:

- Interviews
 Documents
 Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Project leaders say that blended financing is important and that **money comes from different sources** such as government, IDH/GCP and big companies. **Even farmers have to contribute**. They rarely have cash but contribute land or labor which is vital for the project. They also have to pay some of the price for seedlings provided by the project. There are some challenges with small and poor farmers who cannot always contribute beyond changing their farming practices. If, for example, they cannot build a pond to conserve water, exceptions are made.

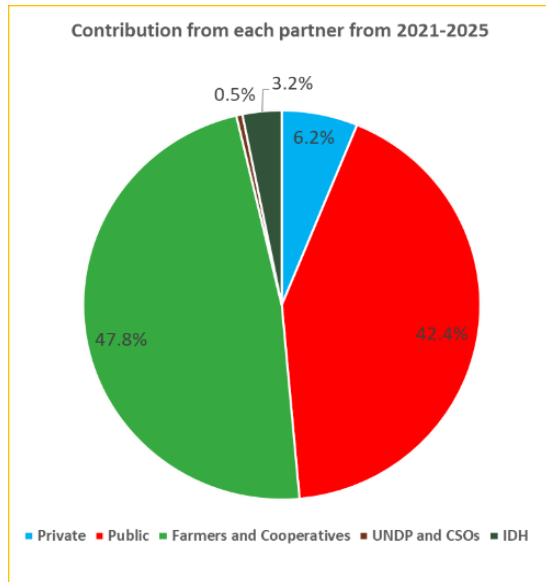
Now, **farmers also have to pay for NAEC extension services**. The idea is that farmers will not pay for poor service and that demands will drive up service quality.

A **good example** where many actors help to finance sustainability activities in relation to the PPI Compact is **training of farmers**. Here many different public and private actors contribute to financing a backbone activity, just as they provide different training programs.

The PPI Compact also **applies for money** from the UNDP, National Development Programs, the EU and the World Bank. The UNPD makes a financial contribution.

Every year, the PPI Compact develops an **annual work plan with specific financing** of the work of the different project groups. Hence, financing is project specific and not for the PPI Compact as a whole, and partners only pay to sub-projects that resonate with their goals and mission statements.

The pie diagram below shows the targets for **financing the total costs of the PPI Compact** based on blended financing:



10. The capacity to leverage support from authorities to enable local collaboration

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Informants agree that there have **not been many problems that have required leveraging support** from higher level public authorities. If there is a problem, the **PPI Compact participants first go to Ci Lihn DPC**, whose obligation is to deal with higher level government. An example is that some forest protection regulation meant that people living in the forest would be expelled, but since this was their home, the DPC helped to get an exemption.

A consultancy firm reports that under the PPI banner, it can **ask the Di Linh DPC for data** such as farmer data: 'Now we have good information on all the households. With the DPC data, we recognize that the level of training is very high, and we no longer have to provide seedlings. Hence, we can shift our attention to areas of high pesticide use and work with partners to solve that problem.'

We can only find one clear example that **higher level government support was leveraged**. The EU set a very low minimum residue level for herbicides that would shut out about 70% of Vietnamese coffee export to the EU. Actors from the PPI Compact such as Nestle, Lavazza, JDE and the Global Coffee Platform worked together to encourage Vietnamese government to set policy and the result was a ban on herbicides that helped to support the transition to sustainable coffee farming. The PPI Compact followed up by training local farmers in alternatives to the use of herbicides.

Other less clear examples are **government funding of training programs and the purchase of seedlings** for rejuvenation. What is not clear is whether the support was in any way prompted by the PPI Compact. On a final note, IDH tells us that they **asked for government permission to set up the PPI Compact** and was allowed to do that.

Still, we do not find any deliberate and coordinated **PPI Compact strategy for cultivating relations with higher level government actors** in order to be able to leverage support when need be. In fact, there are some mentioning that provincial government support for scaling has been relatively weak indicating lack of effective leverage. In sum, this explains why we have decided to score .66 rather than 1.

11. Inclusion and empowerment of relevant and affected actors

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Richer farmers are more progressive in their farming practices than **poor minority farmers**. In some communes, there are 20-50% minorities (at national level it is only 8 %, but minorities live in mountainous rural areas). According to several informants, they are treated equally based on favorable treatment and have high positions in the DPC.

It can be **hard to convince poor minority people** to stop using herbicide because the alternative is very labor intensive. There is a **special strategy to work with these groups** who are often less educated and more bound to tradition than other groups. The PPI breaks ethnic farmers into smaller groups and works with them that way. Trainers, of which some belong to an ethnic minority, spend a lot of time with ethnic people. They establish model farms with majority farmers and bring minority farmers along so that they can see that sustainable farming means they can earn more. Once they see the advantage, they are fast to adapt.

Minority farmers are also involved in the Farmers' Association. One needs to approach the senior men and then the village leader to reach these farmers (otherwise, hard to reach them). It is important to speak their language and eat their food. There are a lot of minority trainers and many of them are women, as women are the head of the household in some minority groups.

The PPI Compact is **dedicated to reaching the poorer minorities** and works with the UNDP and Save the Children on this. They spend a lot of time supporting minorities compared with majority farmers. Support for minorities is an official goal for the PPI Compact.

In sum, the **efforts to include and empower weaker actors are considerable** and both motivated by concerns for equity and concerns for expanding sustainable farming techniques to all coffee farmers in the district, also those in remote areas. As such, the inclusion and empowerment of poor farmers and ethnic minorities helped to expand the reach of the PPI.

12. Clarification of interdependence vis-à-vis common problem and joint vision

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

The informants agree that **each partner has a particular strength** and needs to contribute towards the achievement of **common goals of enhanced sustainability and responsible coffee production**.

When asked whether the participants feel that they depend on each other's resources, the answer is to specify how government has vision and regulatory power, how big companies have money, how consultancy firms have skills and expertise, how farmers have manpower, how IDH has funding and convener power, etc. Hence, the participants in the PPI Compact seem to be **aware of each other's skills and resources**.

JDE clearly states that the **interdependence between the different actors is important** for successful collaboration. Other informants claim that both the private and public sector **recognize the need to collaborate**. Results are produced through the joint effort of ‘many helping hands’.

13. Trust-building and conflict mediation

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

The big importer companies are competitors, but they collaborate a lot to create good conditions for responsible and high-quality coffee production. Working together has helped to build trust. For example, the JDE boss is reported to have good and trustful relationship with the boss of ACOM. **Trust built up through long-term collaborative relationships** is claimed to be important for the PPI Compact. The same is argued with regard to the relation between middlemen and farmers. Many middlemen have traded with the same farmers for many years and build a strong trust relation that is important when the middlemen now provide instructions about how to produce coffee responsibly. Middlemen are also said to have a mutual trust relation with the big companies.

Trust is also claimed to be a product of risk management. An informant says that there are always risks in collaboration and anticipation of risks and management of risk through **the construction of clear and transparent rules is crucial for building trust**. This resonates well with the clear focus on governance and transparency in the description of the goals of the PPI Compact in minutes from the meeting that established the Steering Group.

One of the key actors in the PPI Compact explains that there is lots of **focus on trust building between the various stakeholders**. There are many information activities to create transparency. There is also an emphasis on social interaction—e.g., having a drink together after meetings. Finally, there is a dedicated effort to build trust between PPI Compact and the farmers. If the farmers experience that the PPI Compact delivers on its promise to enhance sustainability while raising the farmers’ income, it helps to build trust. One informant mentioned that the **Vietnamese in general tend to distrust NGOs**. However, it was also noted that government is fragmented and some people see NGOs as allies. The close collaboration between IDH and the DPC in the PPI Compact seems to be **living proof that any such mistrust has been overcome**.

Conflict mediation has already been covered. There are very few conflicts and if any should emerge, the DPC acts as conflict mediator aiming to settle the dispute through dialogue between the conflicting parties. However, there seems to be a collective preference for conflict-avoidance, perhaps because the stakes in terms of protect export revenues are high.

14. Use of experimental tools for innovation

QCA score:

- 0
 0.33
 0.66
 1

Scoring confidence:

- Low confidence
 Medium confidence
 High confidence

Data sources:

- Interviews
 Documents
 Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

The many informants who have commented on this issue tend to say the same: The big coffee companies and the consultancy firms do a lot of **experimental innovation in test farms** where they try out new sustainable practices and measure the results and impact. As one of the informants say: 'We never start by doing something on a big scale. We start small and make sure that we have evidence before we go further.' Another informant adds that experimentation is a **step-wise approach** where things are tested and reviewed and then tested again.

When there is evidence for the impact of a new farming practice, a technology for scanning CO₂, or the use of a particular cover crops, the next question is how to get farmers to adopt new practices. General understanding is that farmers may adopt simple practices quickly, but more complex practices take longer. To support adoption of innovative practices, **they invite farmers to visit demonstration farms** because they tend to believe more when they see it than what they hear about it. Seeing the positive results obtained by the adoption of new innovative tools or practices is what convinces farmers to make changes.

Without the experimental development of new sustainable farming technics at the model and demonstration farms, there would have been nothing to teach and show the farmers.

15. Ongoing critical self-reflection and learning (i.e., process and/or developmental evaluation):

QCA score:

- 0
 0.33
 0.66
 1

Scoring confidence:

- Low confidence
 Medium confidence
 High confidence

Data sources:

- Interviews
 Documents
 Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

Only a few informants have commented on this issue. One of the key actors explains that there are many meetings in the PPI Compact where they **stop and look back to analyze shortcomings** and then decide what is the most appropriate way to address problems and challenges. This is confirmed by one of the middlemen who says that **workshops are used for assessment and learning**. For example, he recently sat together with the IDH and some other companies to analyze some problems and ponder what could be done. He adds that he participates in evaluation workshops at all levels (national, province and district) and pays for his own participation. The regular use of self-reflection and learning is also confirmed by one of the big coffee companies who observes that the actors down the value-chain (big buyers, middlemen

and some farmers and sometimes also an agronomist) often **sit together and consider how things are going** and what should be changed. The local leadership of IDH also refers to situations where they have learned a lot and successively reconsidered their strategies and practices.

16. Exercise of facilitative leadership:

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this governance factor:

An informant from the PPI Compact with leadership experience says that it is **easy to lead the meetings** because everybody is committed and sits and discusses with each other with few conflicts. Conditions for leaders to facilitate collaboration is that partners respect Vietnamese laws and culture and also respect each other and understand each other's needs. Finally, everybody must follow the guidelines of the PPI Compact resolution. Participants tend to meet these conditions, thus enabling facilitative leadership as there is no need for more authoritative leadership.

Informants generally agree that **IDH** has played a **key role as convener and facilitator** of collaboration in the PPI Compact. IDH is described as 'the bridge connecting all the actors' and the IDH leader seems to run from meeting to meeting while speaking with partners on the phone in between meetings. Hence, IDH clearly has **nodality** in terms of having a central location in the network.

IDH also has **authority** in the sense that it is listened to in discussions. This is partly due to its status as a neutral and highly committed NGO and partly due to the expertise on sustainable agriculture that it brings to the table.

IDH also has **treasure** in the sense of being able to grease the wheel and pay the bills. Training sessions and workshops are often held in the IDH house in Di Linh and catering and meeting facilities are provided. In addition, IDH also helps financing PPI Compact activities both with money and in-kind resources such as manpower and written inputs.

IDH also has **organization** as it is an international sustainable development NGO with representation in several countries and a large office in Hanoi. As such, it is capable of both leveraging government support and orchestrating local collaboration.

The presence of NATO-resources has enabled IDH to act as a **convener and facilitator of collaboration**, both in relation to policy formulation and implementation in the PPI Compact. The IDH leader tells us that he always begins by identifying the stakeholders and the problem. What is the target group and what

problems is it facing? After that it becomes a question of mobilizing the public and private actors relevant for problemsolving.

Di Linh DPC appears to play a key role as **conflict mediator** by helping conflicting partners to find a mutual agreement and solve their dispute. Several informants mentioned this. It is also responsible for local implementation and contact with farmers.

As with most development organizations, IDH has an **exit strategy**. IDH accepted to provide facilitative leadership in the PPI Compact but now that it is successful, it can do without IDH. The leadership capacity of the other participants has gradually been built up. Hence, IDH will no longer chair the IDH Compact. The DPC will instead chair the Steering Committee with IDH as one of the vice-chairs. Soon the vice-chair leadership will be handed over to a local actor. The hope is that this leadership change will create a long-term basis for energetic leadership. Also, it should be remembered that the DPC has many arms to exercise leadership: a central position, relationship with farmers and farmers organizations, means of financing and communication etc.

When asked about the need for **leadership training** of government officials to ensure that they undertake facilitative leadership, we were told there is leadership training based on sharing of experiences rather than looking at particular leadership concepts.

Outcome variable: Successfully co-created green transitions

The outcome variable 'co-created green transitions' will be scored in two parts. First, 'co-creation' will be scored based on an assessment of whether the participants in the initiative, project or process engaged in collaborative problem-solving that fostered creative ideas and innovative solutions (data will consist of survey data combined with interviews and documents). Next, 'green transitions' will be scored based on an assessment of whether the initiative, project or process has fulfilled or is expected to fulfill its green goals, ambitions and aspirations (data will consist of survey data combined with interviews and internal and/or external evaluation reports, including scientific publications).

The scoring of this variable is done in two parts:

- 1. Is the developed solution based on collaborative problem-solving spurring creativity and innovative solutions?*
- 2. Does the developed solution engender a green transition?*

This scoring should be conducted based on both the survey and complementary green outcome evaluations. Please consult Sections 4.4 and 6.10 in the Research Protocol for more details.

1. Is the developed solution co-created?

QCA score:

0

0.33

0.66

1

Scoring confidence:

Low confidence

Medium confidence

High confidence

Data sources:

Survey

Interviews

Documents

Observations

Please elaborate on the reasoning behind your scoring for this part of the governance factor, including the data sources used for the scoring.

A series of survey questions focus on the presence of collaborative problemsolving (1), the fostering of creative and innovative solutions (2-6), the support for process, outcomes and the level of engagement (7-12), and the attainment of goals that are robust and serve to enhance sustainability (13-15).

n = 24	Strong. dis.	Dis.	Slight. dis.	Neither agr/dis	Slight. agree	Agree	Strong. agree	Mean
1. Problem-solving mobilized different experiences, and/or ideas and/or forms of knowledge to develop new perspectives	-	-	-	-	-	46%	54%	6,54
2. Through the collaborative problem-solving process, different experiences and/or ideas and/or forms of knowledge have been mobilized to search for unconventional solutions	-	-	-	-	13%	54%	33%	6,2
3. The collaborative problem-solving process mobilized different experiences, and/or ideas and/or forms of knowledge to search for solutions that go beyond standard/text-book solutions	-	-	-	8%	17%	33%	42%	6,08
4. The co-created solution breaks with established practices	-	-	-	8%	13%	62%	17%	5,87
5. The co-created solution disrupts conventional wisdom	-	-	-	17%	46%	25%	13%	5,33
6. The co-created solution offers new ideas to address the green transition problem	-	-	-	-	-	58%	42%	6,41
7. I'm supportive of the co-created solution						46%	54%	6,54
8. I'm content with the overall collaborative process of the project	-	-	-	-	8%	54%	38%	4,54
9. I feel the multi-actor collaboration process was a prerequisite for the success of the project	-	-	-	-	-	42%	58%	6,58
10. I'm satisfied by the results of the co-creation effort in terms of expected impact on the welfare of the community	-	-	-	-	4%	67%	29%	6,25

11. The collaborative interaction in the project has led to an innovative solution	-	-	-	-	-	75%	25%	6,25
12. The actors involved in the project are engaged in collaborative interaction that stimulated creative problem-solving	-	-	-	-	8%	46%	46%	6,37
13. The co-created solution meets the proposed goals of the project	-	-	-	-	4%	54%	42%	6,7
14. The co-created solution will be durable and robust in the long run	-	-	-	-	-	71%	29%	6,29
15. The co-created solution is expected to significantly improve sustainability for the whole community	-	-	-	-	8%	42%	50%	6,41

A quick and sweeping glance at the table above, and especially the high positive opinion balances (agree answers minus disagree answers) shows that **most respondents agreed or strongly agreed with all the questions.**

The distribution of answers to the **first questions** indicates a strong agreement that different ideas, resources and forms of knowledge have been mobilized in the search for new perspectives. Hence, 100% the respondents agree or strongly agree that different experiences, ideas and forms of knowledge were mobilizing to solve problems. Hence, the PPI Compact was clearly a case of collaborative problemsolving. The answers to **questions 2-6** indicate that creative and innovative solutions are produced through the collaborative interaction of the manifold actors. Interestingly, there is slightly less agreement that new solutions break with conventional wisdom. We talked with several informants about how the innovative solutions reinvent the past, which has been forgotten by ‘modern’ agriculture.

The responses to **questions 7-10** show that there is strong support for both the process and outcomes of the PPI Compact. The amazing finding is that all actors agree or strongly agree that they were content with the collaborative process, that the collaborative processes was a prerequisite for success and that the results were innovative.

As for **questions 11-15**, there is strong support for the claim that the actors were engaged in collaborative processes fostering innovative outcomes, that the project has led to goal attainment and that the results are robust.

Most notably perhaps, 92% of the respondents **expect** the co-creation solution to improve sustainability for the entire community, which is probably related to the fact that it is a farming community where everybody either directly or indirectly earn their living from farming.

In **addition to the survey data**, there is one document that brings evidence of the successful collaboration in the PPI Compact. The mid-term evaluation report of the IDH ISLA program presents an in-depth study of Vietnam based on quantitative and qualitative data (field study, 8 focus groups and 33 key informant interviews). There is a slight error in the assessment as the PPI Compact in Di Linh is analyzed together with a similar (and equally successful) PPI Compact in Krong Nang. Nevertheless, based on the 33 interviews, the report concludes: **‘Combining public and private resources from separate organizations and sectors towards the same goals and sharing information in a transparent manner is seen as the main advantage.’**

Moreover, the collaborative approach of the PPI Compact is generally seen as an **‘effective way to address the agricultural production and environmental needs.’**

Finally, **our own interviews** repeatedly spoke about how the PPI Compact brought together public and private actors in a collaborative effort to solve problems that none of the actors could solve alone.

2. Does the developed solution engender a green transition¹?

QCA score:

- 0
- 0.33
- 0.66
- 1

Scoring confidence:

- Low confidence
- Medium confidence
- High confidence

Data sources:

- Survey
- Interviews
- Documents
- Observations

Please elaborate on the reasoning behind your scoring for this part of the governance factor, including the data sources used for the scoring:

A series of **survey questions** focus on whether the project has produced or is expected to produce a green transition aiming to avoid a worsening of the status quo, maintain the status quo or improve the status quo. n = 24

1. The project:	Yes	No	Don't know
...did not produce any green transition solution	-	38% (n = 9)	63% (n = 15)
...has produced or is expected to produce a green transition solution aiming to avoid a worsening in the status quo	67% (n = 16)	4% (n = 1)	29% (n = 7)
...has produced or is expected to produce a green transition solution aiming to maintain the status quo	67% (n = 16)	29% (n = 7)	-
...has produced or is expected to produce a green transition solution aiming to improve the status quo	88% (n = 21)	12% (n = 3)	-

¹ By "green transitions", we mean objectives and aspirations that correspond to at least one of the Green SDGs (SDG 6, 7, 11, 12, 13, 14, 15). The project does not have to refer explicitly to the green SDGs, but the project's green objectives

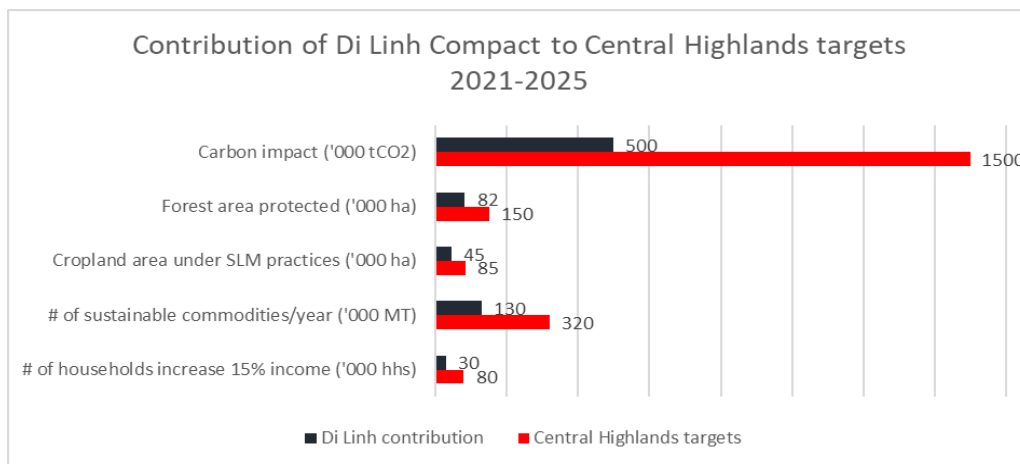
The answers show that 38% of the respondents think that the PPI has already produced a green transition solution. 63% don't know. 67% agree that the project has or is expected to avoid a worsening or maintain status quo. As many as **88% of the respondents agree that the PPI Compact is expected to produce a green transition that improves the status quo.**

In **addition to the survey data**, we also have **two documents** that support our scoring of the outcome variable.

The **first document** is a set of slides that we received right before our arrival in Di Linh. It compares the goal attainment of the PPI Compact in Di Linh with the overall goal attainment of the whole central highlands. One figure showing dashboard results suggests that the PPI Compact has had **a relatively bigger environmental impact than social equity and CO2 reduction impact.** This resonates with our impressions from the interviews. There has been a lot of focus on ecosystem recovery and CO2 reduction is a new thing that has only recently come onto the agenda.



Another figure shows the PPI Compact's contribution to reaching the targets for the central highlands on several dimensions. Also here, the PPI Compact seems to be **doing a good job** with relatively big contributions on several counts.



The **second document** is the mid-term evaluation report of the IDH ISLA program that carries an in-depth study of Vietnam based on quantitative and qualitative data (field study, 8 focus groups and 33 key informant interviews). For our purpose, there is a slight error in the assessment since the PPI Compact in Di Linh is analyzed together with a similar (and equally successful) PPI Compact in Krong Nang.

The mid-term **summarizes the goals of the PPI Compact** as 'better environment' and 'better income'. Better environment is understood as: (i) upscaling the protected/conserved forest and forest land area to

300,000 ha, (ii) upscaling the cropland and other non-timber commodity production area under sustainable (intensification) production and management practices to 100,000 ha, (iii) restoring and rehabilitating 36,900 ha soil for example through rejuvenation of coffee, (iv) preventing commodity led deforestation, and (v) contributing to the reduction of carbon emission from coffee production and increase off carbon removal. Better income is defined by the goal of increasing the income for 50% of target farmers by 15%.

In terms of the fulfilment of the green goals, the report states that the **number of hectares of forests covered by the efforts of the PPI Compact already exceeds the targeted impact for 2025** at the end of 2022.

Moreover, a large majority of interviewed stakeholders and the focus groups indicate that they already experience a **positive impact in the landscape both in terms of environmental improvements and in terms of better income.**

At a more concrete level, the report maintains that the PPI Compact is considered as **very relevant for tackling environmental problems** such as: a) overuse of pesticides, herbicides, and fertilizers (mentioned by 20 informants); b) soil/land erosion/degradation (mentioned by 12 informants); and c) water shortages during the dry season and floods during the rainy season (mentioned by 9 informants).

In addition, a table shows that the PPI Compact in Di Linh has managed to **halt deforestation** from 2021 to 2022.

The report also documents that the **targets for improving the governance model, the business model and the field-level access to financing, expert advice and training are all exceeded** by several hundred per cent.

Finally, **our interviews** are full of positive impact assessments such as enhanced use of intercropping and cover crops (we also observed this during our site visits) and reduced use of water and artificial fertilizing. The most spectacular is the reduction in the amount of coffee exceeding the minimum residue level for herbicides: in 2020, it was 56%; in 2021, it dropped to 17%; in 2022, it was down to 1%.

Please list all the informants you have interviewed for the case study (list project role + interview date):

We interviewed 38 people in connection with the study of the PPI Compact in Di Linh. Most interviews were in person and some even on location in the coffee fields. About 5-6 interviews were conducted online due to long travel distances. Except for 3-4 interviews that were conducted in English and one interview that was conducted in Danish, all interviews were conducted in Vietnamese with Mr. Chung as interpreter. Three of the interviews were conducted as focus groups.

All local actors were interviewed between the 18th and 28th of April. All the Hanoi actors were interviewed on the 9th of May and the Danish embassy people were interviewed on the 31st of May (three agricultural experts from the Danish embassy in Hanoi were interviewed to get an outside though informed view on our insights from the PPI Compact).

List of informants:

Mrs. C. (QC)
Mr. N., SNV (Dutch development organization) (NAM)
Mr. P. (SNV) (NAM)
Ms. T. (SNV) (NAM)
Ms. N. (SNV) (NAM)
CPPPD (regional forest and land protection agency)
Vice Chairman, District Peoples Committee
Mr. H., IDH
Translator and manager of Global Coffee Platform program
IDH central landscape coordinator
IDH Lam Dom province
Secretary of Communist Party Cell, Tan Nghia Commune
Chairperson of Tan Nghia Commune farmer union
Vice Chairman of Tan Nghia Commune farmers union
Farmer 1, Tan Nghia Village, Tan Nghia Commune
Farmer 2, Han Hai Village, Grungre Commune
Trainer of trainers (TOT); Chair of Grungre Commune farmers union
Middleman 1
Middle(wo)man 2
Farmer 3
Chairman, Grungre People's Committee
Di Linh DPC Rural Development Department
Deputy Head of Extension, Crop Production and Forestry Division, NAEC
Deputy General Director, Crop Protection & Chair of the Coffee Coordinating Board (CCB)
Head of Industrial Crop Division DoCP (Department of Crop Production) (DoCP)
CDC Consultant (CDC)
Mr. Hu., IDH
National Agricultural Extension Service (NAEC)
Deputy Head of Training & Communication Division, NAEC
Sale manager and Sustainability Project Manager, Intimex My Phuoc (Intimex):
TMT Consultants (TMT)
Sustainability Manager, JDE (JDE)
Senior Sustainability Coordinator, Sucafina
Sustainability Manager, Vietnam, ACOM.
Sustainability Manager, LDC (LDC)
Danish Consulate staff working with sustainable agriculture (Danish Embassy in Hanoi)

Please list all the observations you have made (type of meeting/workshop/etc. + observation date):

On the 21st of April we observed a training session (ToT) at the IDH house in a central part of Di Linh. There were 15-20 participants and different presentations using slides. We were explained that the focus was on how to make coffee farming more sustainable by using techniques that sequester CO2. There was a

friendly and informal atmosphere and participants were asking questions to presenters. After the training session, the participants were hanging around for a bit to talk and laugh. They also took group photos.

Please list all the documents you have analyzed (document name + source + year):

IDH (2023) IDH Midterm report for ISLA program in Vietnam for the period 2021-2022

IDH (2021) Case study of water resilient coffee projects

Enveritas (2020) An Analysis of the role of middlemen in coffee supply chains

DPC (2022) Decision establishment of the Steering Committee of the Production, Protection and Inclusion Program, Di Linh district

DPC (2022) Minutes of the steering committee meeting

PPI (2019) Draft memorandum of understanding

PPI (2022) Memorandum of understanding

GCP (2022) Slides presenting the global coffee platform

Oorthuiszen (2018) Collaborative transformation

Vietnamese government (2020) Law 64 on PPP

Vietnamese government (1997) Decree 77 on PPP

IDH (2021) Sourceup compact manual

IDH (2022) Vietnam coffee middlemen story

Millard, E. (2017). Still brewing: Fostering sustainable coffee production. *World Development Perspectives*, 7, 32-42.

Relevant links:

<https://www.rainforest-alliance.org/vi/business-vi/chung-nhan/co-gi-moi-trong-tieu-chuan-phien-ban-1-1/>

<https://www.rainforest-alliance.org/vi/business-vi/chung-nhan/co-gi-moi-trong-tieu-chuan-phien-ban-1-1/>

Please note the response rate for the survey/measurement of outcome variable:

We conducted 35 interviews with Vietnamese actors. The three farmers interviewed were deemed to have little knowledge of the specific results and impact of the PPI Compact and the same goes for five of the government interviewees from Hanoi. Hence, the survey was administered to 27 people and we got 24 replies, thus producing a high response rate of 89%.

The survey was administered in person as a paper questionnaire by our interpreter Mr. Chung.